



THE ATLANTA ECONOMIC REVIEW

JULY, 1958
VOL. VIII No. 7

PROFILE OF AN ATLANTA SALES EXECUTIVE

by
C. W. Ehlers*

A profile of a modern sales executive has been developed from a study made by National Sales Executives, Inc., in cooperation with the Department of Marketing, University of Notre Dame.¹ Ten thousand sales executives in all types of companies, large and small, in many industries were questioned about their experiences, titles, education, and other features of their background.

Last year the Detroit Sales Executive Club, Inc., obtained a picture of the Detroit sales manager through a survey of 279 of its 530 members.²

A profile of the Atlanta sales executive was secured through a survey of the membership of the Atlanta Sales Executives, Inc. In November of 1957 questionnaires were mailed to the 392 members of the Atlanta club, and 259 usable questionnaires were returned, representing 66.7 per cent of the membership.

The Atlanta study was conducted because of the expressed desire on the part of many sales executives in Atlanta for a survey which would reveal the portrait of the Atlanta sales manager. This article has the dual purpose of showing the profile of the Atlanta sales executive and comparing that picture with the other studies.

A COMPARISON OF SALES EXECUTIVES: ATLANTA, DETROIT, AND NATIONAL

A comparison of studies is needed in order to give significance to the findings of the Atlanta study. Prior to the Atlanta survey only one sales executive club had conducted and published a study of its membership. Therefore, the comparison to date must be limited. Though the National Sales Executives made a study of its membership, this survey was limited in scope, and thus only part of the Atlanta study can be compared with the national

survey.

Titles of Sales Executives

The first common question asked in the three studies of sales executives requested the executive to name his title or position with his company. A comparison of these titles is found in Table 1.

TABLE 1
TITLES OR POSITIONS OF SALES EXECUTIVES:
ATLANTA, DETROIT, AND NATIONAL
Per Cent With Title*

Title or Position	Atlanta	Detroit	National
District Manager	27.0	17.9	NA
Sales Manager	25.4	24.7	25.9
President	8.9	6.1	6.7
Vice-President	8.9	11.1	9.1
General Manager	7.3	4.9	NA
Regional Manager	6.5	1.1	NA
Vice-President in Charge of Sales	6.3	8.9	6.6
Owner-Partner	6.3	6.8	4.9
District, Division, or General Manager	37.5	23.8	8.2
District, Division, or General Sales Manager	9.2	9.6	13.8

*Columns do not total 100 per cent as some of the sales executives have more than one title.
NA—Not available.

Years with Present Company and in Present Position

Sales managers in the Atlanta and Detroit surveys were next asked to indicate the number of years they have been with their present firm and also in their present position. Atlanta sales executives have been with their present firms for an average of 13.8 years, whereas the average time for the Detroit sales manager was 8.4 years. The average Atlanta sales manager has been in his

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*Dr. Ehlers is Associate Professor of Marketing, School of Business Administration of Georgia State College of Business Administration. He is a member of Atlanta Sales Executives, Inc., and faculty advisor of Pi Sigma Epsilon, National Sales and Sales Management Fraternity.

1. Bertrand R. Canfield, *Sales Administration, Principles and Problems* (New York: Prentice-Hall, Inc., 1954), p. 10.

2. Correspondence with Lillian M. Plomley, Executive Secretary, Detroit Sales Executives Club, Inc., June 24, 1957.

present position nearly seven years, while the average length of time Detroit sales executives have been in their present positions is a little over six years.

First Full-Time Business Job

The three surveys asked the respondents if their first full-time business job was in selling and, if so, how many years they had been in selling. The answers to these questions are summarized in Table 2.

TABLE 2
PER CENT OF SALES EXECUTIVES WHOSE FIRST
FULL-TIME BUSINESS JOB WAS IN SELLING AND
AVERAGE NUMBER OF YEARS IN SELLING
ATLANTA, DETROIT, AND NATIONAL

Selling Experience	Atlanta	Detroit	National
First full-time job in selling	55.1%	47.5%	48.9%
Average number of years in selling	21.3	NA	17.4

NA—Not available.

Over 20 per cent of the Atlanta executives and approximately 21 per cent of the Detroit executives came into selling from the field of engineering. Nearly 15 per cent of the Atlanta executives and over 10 per cent of the Detroit executives were in clerical work before entering selling. Around 9 per cent of the Atlanta managers were employed in the banking business prior to selling, and over 10 per cent of the Detroit managers did accounting work before going into selling. There was a wide scattering of other "beginnings"—from advertising and newspaper work to law, pharmacy, and production work—as the first work of these men who shifted to become eventually sales executives.

Fields For Which Prepared

Nearly one-half of the Atlanta sales executives did not enter selling as their first full-time business job. Over 30 per cent of these executives had prepared for business administration and management positions; 17 per cent for engineering jobs; nearly 30 per cent for no particular work; and nearly 30 per cent for other positions as law, accounting, office work, banking, teaching, medicine, journalism, and advertising.

Cause of Change in Occupation

There were various reasons for Atlanta sales executives who did not first enter selling to change to a selling job. Table 3 summarizes these reasons.

TABLE 3
REASONS GIVEN BY ATLANTA EXECUTIVES FOR
CHANGING TO SELLING JOB

Reason Given	Per Cent of Executives*
Greater opportunity	57.7
Better pay	42.2
Better suited for selling	37.1
More interesting work	27.5
Former work too confining	12.7
Other	6.0

*Since many executives had more than one reason for changing to selling, the total of this column exceeds 100 per cent.

Plans for Future Change

The Atlanta sales executives were asked if they planned to change their general line of work in the next five years. Less than 1.2 per cent (3 out of

259) of these sales managers indicated they planned to go into different work, and two of these executives stated they would retire in the next year or two due to age.

Education

The Atlanta and Detroit sales executives next indicated the last grade or year they completed in school. Their answers are summarized in Table 4.

TABLE 4
EXTENT OF FORMAL EDUCATION:
ATLANTA AND DETROIT SALES EXECUTIVES

Formal Education	Per Cent	
	Atlanta	Detroit
Grammar School	100.0	NA
Some High School	98.5	NA
Completed High School	95.2	NA
Some College	82.3	85.0
Completed College	51.4	51.0
Degree from Graduate School	8.1	7.2

NA—Not available.

Major in College

The executives who graduated from college were asked to indicate their major field of study (see Table 5).

The Detroit survey found that 42.5 per cent of those who graduated from college majored in business or economics (42.8 per cent for Atlanta executives), and almost 35 per cent held degrees in engineering (27.7 per cent for Atlanta executives).

Recommended College Courses

In all three of the studies respondents were asked to state the college courses they would take

ATLANTA ECONOMIC REVIEW

Published monthly by the

Bureau of Business and Economic Research
School of Business Administration

Georgia State College of Business Administration

Noah Langdale, Jr., President

33 Gilmer Street, S. E., Atlanta 3, Ga.

School of Business Administration

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ATLANTA ECONOMIC REVIEW

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TABLE 5
MAJOR FIELD OF STUDY BY COLLEGE GRADUATES:
ATLANTA AND DETROIT SALES EXECUTIVES

Major Field	Per Cent	
	Atlanta	Detroit
Business Administration	34.6	37.4
Engineering	27.7	34.8
Arts	9.7	7.7
Economics	8.2	5.1
Law	6.0	5.4
Journalism	4.5	3.3
Science	3.8	2.9
English	2.2	1.8
Others	3.3	1.6
Total	100.0	100.0

if they were to enter college now based on their past experience in selling. Table 6 gives the per cent of executives who would emphasize various college courses at the present time.

There was agreement by 60 to over 85 per cent of the executives in both studies that Public Speaking, Sales Management, Salesmanship, and Psychology are the four most needed subjects in the area of Sales Management.

TABLE 6
COLLEGE COURSES SALES EXECUTIVES WOULD
TAKE IF PRESENTLY ENTERING COLLEGE:
ATLANTA, DETROIT, NATIONAL

Courses	Per Cent*		
	Atlanta	Detroit	National
Public Speaking	86.7	84.0	32.6
Sales Management	72.6	67.0	35.1
Salesmanship	69.6	67.0	35.1
Psychology	63.4	60.0	34.2
English	56.7	47.0	16.1
Marketing Research	42.1	40.0	26.0
Business Correspondence	41.3	NA	16.6
Economics	38.7	NA	8.3
Advertising	37.1	NA	12.7
Finance	35.3	NA	12.9
Business Law	32.2	NA	9.0
Personnel Management	29.2	NA	9.5
Accounting	26.1	NA	12.5
Statistics	16.5	NA	21.2

NA—Not available

*Totals of columns exceed 100 as executives suggested more than one subject.

Father's Last Occupation

The Atlanta sales managers were asked to give their fathers' last occupation. Table 7 reveals the great variety of occupations represented.

TABLE 7
LAST OCCUPATION OF FATHERS OF ATLANTA
SALES EXECUTIVES

Occupation	Number of Fathers
Salesman	53
Owner or manager of business or store	31
Farmer	17
President or executive	13
Sales manager	12
Contractor	11
Railroad work	11
Engineering	10
Foreman or supervisor	8
Government or politics	7
Office manager	7
Doctor	6

Among other occupations of the fathers of Atlanta sales executives were: butcher, baker, teacher, preacher, lawyer, coal miner, mail carrier, sheriff, postal clerk, druggist, oil driller, cabinet maker,

laborer, wholesaler, mechanic, banker, broker, miller, transit operator, barber, and missionary.

Children

Each Atlanta sales manager was asked to list the number of boys and girls in his family (see Table 8).

Number of Children	Per Cent of Executives	
	Boys	Girls
None	36.7	38.9
One	40.4	37.9
Two	17.9	17.3
Three	4.2	4.7
Four	0.8	0.8
Five	0.0	0.4

The Detroit study found that 97.8 per cent (273) of that city's sales executives were rearing 284 sons and 310 daughters. The Atlanta survey shows 84.2 per cent (218) of the sales managers are rearing 236 sons and 235 daughters.

Next, the executives with children were asked if they would like to have any of their children enter selling. Over 86 per cent of the Atlanta executives and 85 per cent of the Detroit managers preferred that their children enter selling as a career. The Atlanta executives who have children were further asked if any of their sons or daughters were in selling at the time; 16.4 per cent had sons in selling while 3.3 per cent had daughters in selling.

Magazines

The Atlanta and Detroit studies had another common question: "What magazines do you find most useful in your work?" (See Table 9.)

TABLE 9
MAGAZINES ATLANTA AND DETROIT SALES
EXECUTIVES FIND MOST USEFUL IN
THEIR WORK

Magazine**	Per Cent*	
	Atlanta	Detroit
<i>Business Week</i>	41.4	33.9
<i>Sales Management</i>	26.2	21.6
<i>U. S. News & World Report</i>	23.7	14.7
<i>Time</i>	21.8	22.4
<i>Fortune</i>	19.1	23.7
<i>Newsweek</i>	10.2	8.2
<i>Nation's Business</i>	9.7	8.5
<i>Wall Street Journal</i>	6.8	6.1

*Totals exceed 100 per cent as some sales executives listed more than one magazine.

**Other magazines mentioned by five or more Atlanta executives were: *American Salesman*, *Harvard Business Review*, *Dun's Review*, *Reader's Digest*, *Advertising Age*, and *Printer's Ink*. Over one-half of the Atlanta managers also listed various trade magazines.

Cars and Television Sets

Nearly 64 per cent of the Detroit sales managers and over 64 per cent of the Atlanta sales executives own two or more automobiles, while 50 per cent of the Detroit members and over 47 per cent of the Atlanta respondents own two or more television sets. The average Atlanta executive owns 1.7 cars and 1.6 television sets.

Home Ownership or Rental

Over 88 per cent of the Atlanta sales executives own their own home, and approximately 11 per cent rent a home or apartment. Those who rent pay an average monthly rental of \$125.98. The total

market value of the homes owned by the 229 Atlanta members is \$7,612,505, with the individual homes ranging in market value from \$12,000 to \$150,000. The average valuation is \$33,242.38, and over 16 per cent of the managers own homes with a value of \$50,000 or more.

Age

The average age of the respondent in the Atlanta survey was 43 years. The average Detroit sales executive member is 45 years old.

Income

Both the Atlanta and Detroit studies asked the sales executives to indicate their yearly income. Income for 1956 for both studies ranged from \$5,000 to \$50,000 or more. The average yearly income for the Detroit executives was \$24,450, whereas \$20,054.55 was the average income for 1956 for the Atlanta members. Approximately 23 per cent of the Atlanta respondents had an income range above \$25,000 per year in 1956.

Voting and Church Attendance

Both the Atlanta and Detroit surveys asked the members if they had voted in the last presidential election and how often they attended religious services. The Detroit study discovered that 97 per cent of the respondents had voted in the last presidential election, and 94 per cent of the group attended religious services regularly or occasionally. Over 89 per cent of the Atlanta executives voted in the last presidential election. Nearly 96 per cent of them attend religious services regularly or occasionally, and over 60 per cent attend regularly.

Hobbies

The Atlanta and Detroit members were asked to indicate their hobbies, and, roughly speaking, there was the same pattern for both. The leading ones are golf, fishing, gardening, photography, and music. In the southern pattern golf was relatively more popular (and bowling less so), which probably reflects the difference in climate.

Civic Activities

The members of both the Atlanta and Detroit sales executives clubs were asked to state the civic activities in which they participate (see Table 10).

TABLE 10
CIVIC ACTIVITIES OF ATLANTA AND DETROIT
SALES EXECUTIVES

Civic Activities	Per Cent Responding	
	Atlanta	Detroit
United Foundation	47	56
Parent-Teachers	32	33
Boy Scouts and/or Cub Scouts	31	26
Red Cross	27	NA
Y. M. C. A.	23	NA
Salvation Army	15	NA
Other Activities*	69	NA

NA—Not available.

*Some of the "other activities" in which five or more Atlanta sales executives participate are: Little League, Goodwill Industries, Goodfellows, Chamber of Commerce, Sunday School work, and numerous service clubs.

Professional Clubs

The Atlanta sales executives were asked if they were members of other professional clubs in addition to the Atlanta Sales Executives Club. Thirty-one per cent were found to belong to over 80 other different professional organizations. Five or more members belong to the American Marketing Association; Pi Sigma Epsilon (national sales and sales management professional fraternity); various insurance associations; engineering societies; Advertising Club; Transportation Club; various banking associations; and other trade associations.

Retirement Plans

Nearly 75 per cent of the Atlanta sales executives know the age at which they plan to retire. Of those who have definite age retirement plans, nearly two-thirds expect to retire at age 65, and nearly 20 per cent plan to retire at age 60.

Over 90 per cent of the Atlanta respondents do have retirement *income* plans. Nearly 74 per cent of these executives are covered by a company retirement plan, and 75 per cent of them also have their own financial retirement plan as well as social security.

TABLE 11
RETIREMENT ACTIVITIES PLANNED BY
ATLANTA SALES EXECUTIVES

Activity	Number of Responses
Travel	54
Sales work	35
Own a small business	33
Fish	21
Golf	20
Civic activities or community affairs	15
Consulting work	13
Gardening	10

Table 11 shows what the executives plan to do after they retire. Other planned activities listed by three or more executives were: writing, lecturing, hunting, teaching, photography, boating, reading, and caring for personal investments.

Military Service

Table 12 contains a summarization of the military service of the Atlanta respondents who were in either World War I or World War II.

TABLE 12
MILITARY SERVICE OF ATLANTA SALES
EXECUTIVES

Branch of Service	World War I	World War II
Army	14	52
Marines	2	46
Navy	1	35
Air Force		7
Marines		1
Coast Guard		

Type of Business

Table 13 indicates the types of businesses Atlanta sales executives represent.

Over one-half of the Atlanta sales executives

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INDUSTRIAL DEVELOPMENT: GEORGIA'S ECONOMIC FRONTIER

by

Walter S. Buckingham, Jr.*

Industrial Record

Georgia is an industrial state. King Cotton, Dixie's longtime economic sovereign, has moved westward. Gone with him is a traditional way of life based on the hoe, the mule, and the share-cropper. In 1950 manufacturing passed agriculture as Georgia's leading employer. Factory payrolls in the state now produce three times as much income as agriculture. In 1957 trade and commerce moved in toward second place threatening soon to banish agriculture to third place. In 1957 over 300,000 Georgians were employed at an average wage of about \$4,800 in manufacturing \$2 billion worth of goods. Two thousand new firms were incorporated in 1957 alone.

Atlanta and other Georgia cities have been enjoying an economic boom although the rural areas have not. According to the United States Department of Commerce, Atlanta had an increase in value added by manufacture of from \$237 million in 1947 to \$672 million in 1955. This gain of 183.3 per cent was third highest of the nation's cities, being exceeded only by Wichita and San Diego. In 1957 the average family income of Atlantans was close to the national average of nearly \$5,000, while the average net income of Georgia farms in 1957 was only \$1,609.

Georgia was not as badly hit by the general recession as were other parts of the country in the first quarter of 1958. According to the United States Department of Commerce, there was, in the first quarter, an increase in Georgia of bank deposits and debits, new homes built, business and residential telephones, airline traffic, chicken production, and international trade. Six hundred new businesses were incorporated in Georgia during this period, which was above the 1957 rate. On the other hand, there were slight declines in department store sales, manufacturing employment (though nothing like the national decline), meat production, and railroad revenues.

The annual gain in Georgia's manufacturing employment since 1947 has been 40 per cent above the national average and slightly above the average for the Southeast. From 1947 to 1955 manufacturing employment rose 27 per cent in the state. Since 1940 Georgia's population has grown from 3.1 million to over 3.8 million today.

Unbalance of Growth

These figures look good in total, but the state's growth has been badly unbalanced. Sixty-three per

cent of Georgia's manufacturing employment is already located in ten per cent of the counties. Two-thirds of the gain since 1947 has been in 13 of the 159 counties, and half of this, a third of all, was in two counties. Forty-two per cent of Georgia's population lives in eight counties. Nearly half of all Georgians live in cities, and the movement from rural to urban areas is intensifying. One hundred and fifteen of Georgia's 159 counties lost population between 1950 and 1956. Nearly all of the gain was in the 33 counties that had an increase of 500 or more in manufacturing employment. Forty-three counties have lost population steadily at a rate of more than two per cent annually since 1940.

In addition to this growing unbalance of population, there are increasing economic and political inequalities. The average annual earnings of an agricultural worker are about \$2,500, or about half that of industrial employees in the state. At the same time, the 42 per cent of Georgians living in the most populous industrial counties have but 12 per cent of the total political representation. As manufacturing productivity continues to rise relative to agriculture and as population shifts from rural to urban areas increase, these unhealthy inequalities may grow.

Two-thirds of all children born in Georgia leave the state as soon as they are old enough, which usually means after the taxpayers have invested in their education. The state loses heavily on all of these who are educated at state expense but move to other states to work and produce. More alarming is the calibre of those who leave. They are mostly in the productive age group of 18 to 35. Left behind are a disproportionate number of the very young, the very old, and women. Most of the better jobs in the North and West are for men, while many of Georgia's older industries employ mostly women.

A major fallacy that must be faced squarely in this connection is the old and cherished idea that this emigration will solve the racial problem. The fact is that some southern states are losing more white people than Negroes. Mississippi, for example, lost 51,000 white citizens and only 29,000 Negroes from 1950 to 1956. Georgia has lost more Negroes than whites from emigration; but, because the Negro birth rate is higher than the white, it is doubtful whether the ratio of Negroes to total population is falling.

So far there is no convincing evidence that racial disturbances have had any adverse effects on industrial location in Georgia or in the South. There

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*Dr. Buckingham is Professor of Economics, Georgia Institute of Technology.

MAY 1958

ATLANTA AREA ECONOMIC INDICATORS

ITEM	May 1958	April 1958	% Change	MAY 1957	% Change	% Change Five Months '58 over Five Months 1957
EMPLOYMENT						
Job Insurance (Unemployment)						
Payments -----	\$982,557	\$887,279	+10.7	\$428,614	+129.2	+106.8
Job Insurance Claimants† -----	12,684	15,356	-17.4	5,972	+112.4	+115.4*
Total Non-Ag. Employment -----	328,000	335,550r	-2.3	345,650r	-5.1	-2.2*
Manufacturing Employment -----	67,850	76,750r	-11.7	86,150r	-21.2	-12.4*
Average Weekly Earnings,						
Factory Workers -----	\$68.92	\$73.54r	-6.3	\$72.92	-5.5	+0.1*
Average Weekly Hours,						
Factory Workers -----	38.5	38.5r	+0.0	39.3	-2.0	-1.8*
Number Help Wanted Ads -----	7,328	6,339	+15.6	10,605	-30.9	-31.0
CONSTRUCTION						
Number of Building Permits§ -----	713	842	-15.3	707	+0.8	+0.0
Value of Building Permits§ -----	\$12,886,350	\$14,740,783	-12.6	\$3,719,404	+246.5	+74.4
Employees -----	20,550	18,750r	+9.6	19,050r	+7.9	+4.7*
FINANCIAL▲						
Bank Debits (Millions) -----	\$1,599.7	\$1,632.4	-2.0	\$1,629.4	-1.8	+2.2
Bank Deposits (Millions)						
(Last Wednesday) -----	\$1,136.9	\$1,158.1	-1.8	\$1,074.2	+5.8	+5.8**
POSTAL§						
Postal Receipts -----	\$1,391,277	\$1,403,735	-0.9	\$1,365,525	+1.9	+8.9
Poundage 2nd Class Mail -----	1,276,933	1,393,214	-8.4	1,489,508	-14.3	+4.3
OTHER						
Department Store Sales Index						
(Adjusted 1947-49=100) -----	154	153r	+0.7	162	-4.9	-1.0††
Retail Food Price Index						
(1947-49=100) -----	119.5	119.4	+0.1	112.4	+6.3	+6.3**
Number Telephones in Service ---	312,914	312,273	+0.2	297,337	+5.2	+5.2**

r—Revised

§City of Atlanta only.

*Average month

N. A.—Not Available

**End of period

†—Based on retail dollar amounts

▲Data from members of the Federal Reserve System only.

†New series. Covers unemployed Federal employees and unemployed veterans in addition to those covered by Georgia law. Claimants include both the unemployed and those with job attachments but working short hours.

Sources: All data on employment, unemployment, hours, and earnings: Employment Security Agency, Georgia Department of Labor; Number Help Wanted Ads: Atlanta Newspapers, Inc.; Building permits data: Office of the Building Inspector, Atlanta, Georgia; Financial data: Board of Governors, Federal Reserve System; Postal data: Atlanta Post Office; Retail Food Price Index: U. S. Department of Labor; Department Store Sales Index: Federal Reserve Bank of Atlanta and Board of Governors, Federal Reserve System; Telephones in Service: Southern Bell Telephone and Telegraph Company.



ATLANTA BUSINESS ACTIVITY

During May, the Atlanta Metropolitan Area made several gains toward overcoming the effects of the current business recession. Here, as elsewhere, manufacturing has borne the brunt of the downturn. **Manufacturing employment** began falling at the beginning of 1957 or late in 1956 and fell almost continuously throughout 1957. It has continued to fall rapidly in 1958, but, in spite of the rather large drop which the figures show for the month of May and the accompanying drop in total nonagricultural employment, there may be a sign of recovery hidden there.

The Employment Security Agency of the Georgia Department of Labor has this to say:

The May drop of 7,550 workers in the Atlanta area did not present a true picture of the general economic conditions prevailing that month. Exclusive of temporary losses from a labor dispute in transportation equipment, there was a net gain of 900 workers from April to May when seasonal increases were shown in construction and service industries. All employment declined 17,650 from last year due to the above aircraft dispute and also to less business primarily in auto assembly plants, aircraft, railroads, and communications.

Average weekly hours, at 38.5 in May, were also down in response to the labor dispute as well as to less overtime in aircraft and auto assembly plants. This measure of manufacturing activity has been below 40 hours for 13 of the last 17 months.

A very encouraging figure in the data for May is the substantial drop in the **number of continuing claimants** for job insurance payments. This drop, 17.4 per cent, was followed in June by a drop of 12.8 per cent. As of mid-June, there were 11,066 continuing claimants for job insurance payments. The number of claimants was pushed downward somewhat in May and June by the dropping from the lists of those who had exhausted their benefits, but, if these are taken into account, there is still a substantial drop in the number of claimants.

The number of **help wanted ads** rose more than

seasonally expected in May for the first time this year. This series has been very sensitive to movements in the economy of the city in the past; if a sustained upward movement develops, it will in all likelihood be a significant indicator of the end of the recession.

Construction, with its heavy demands for manufactured materials of all kinds, has been showing very strong growth during 1958, especially in heavy building. At the end of May, the estimated value of buildings for which **permits** had been issued was 74.4 per cent above the same period in 1957. Figures for June, just released, are above corresponding figures for last year; and totals show that the first six months of 1958 saw permits issued for \$53,875,000, the greatest estimated value of any first six months in the history of the city. If this rate continues, seasonal factors being taken into consideration, the total should reach \$102,000,000 by the end of the year. This great surge in building is one of the factors which has served to soften the recession in this area.

Department store sales in Atlanta are holding up well at about the same level as last year. This series, even in the face of rising prices, has tended to level out during the past 30 months and has fluctuated around the mark at about or a little above 150 per cent of the 1947-49 average with just a slight upward trend. May furniture store sales in Atlanta were up 8 per cent over May 1957 as Atlanta furniture store dealers fared somewhat better than most others in the state; the state as a whole showed a 3 per cent decline.

Debits to demand deposit accounts declined 2.0 per cent from April to May, but were 2.2 per cent higher in May 1958 than in May of the previous year. Balances in demand deposit accounts also declined in the April-May period, but were 5.8 per cent above year ago figures.

INDUSTRIAL DEVELOPMENT: GEORGIA'S ECONOMIC FRONTIER

(Continued from page 5)

is evidence that the current recession has hurt the state, however. The United States Rubber Company had planned to locate a \$15 million plant employing 600 workers in one of three southern towns, one in Georgia. Now that a recession is under way, the decision to locate this plant has been delayed indefinitely. Two other new plants scheduled for Georgia locations have also been postponed, one several times.

Value Added: Key to Prosperity

The real key to prosperity from industry is found in the concept of "value added by manufacture." Roughly this is the difference between selling price and raw materials cost and is an important measure of mechanization. It includes wages, taxes, rent, capital costs, and profits. These are the things that are most likely to benefit the local community. High value-added industries, like chemicals, steel, oil, and electronics, put proportionately far more money into the community in which they are located than do low value-added industries like textiles.

Georgia's percentage employment in high value-added industries is improving rapidly. In 1947, 50 per cent of our manufacturing employment was in broadwoven fabrics, yarn mills, and saw and planing mills — all relatively low value-added industries. Now the number of manufacturing workers in these industries is down to nearer 40 per cent. The lumber industry has grown somewhat but textiles have declined. The industries that are declining relatively in Georgia are also declining nationally at about the same rate. Rapidly-growing industries in Georgia include automobile assembly, meat packing, metals, and aircraft and parts — all high value-added industries.

Georgia's past economic growth record looks good to the casual observer. Because our state economy has been transformed from one kind to another — from agricultural to industrial — in a relatively short time, the progress is fairly obvious. Thus many people apparently have been misled into thinking our recent economic progress has been worth boasting about. Actually almost precisely the opposite appears to be true if a comparison is made with the country as a whole. Not only has our industrialization fallen far short of our potential but it has not even kept up with the rest of the country. The industrial growth of other sections may have been overlooked because it is not as readily apparent (except in the Southwest). In the North, the economic changes in recent years have been in degree — from an industrialized economy to a more highly industrialized one.

The facts bear out this assertion. According to the most recent United States Census of Manufactures, the value added by manufacture rose be-

tween 1947 and 1955 by 51 per cent in the Southeast. The actual amounts were an increase from \$3.7 billion to \$5.5 billion. But the increase in the United States as a whole (including the Southeast) during this period was 63 per cent — from \$74.4 billion to \$121.7 billion. In fact, the only section of the country having a smaller percentage growth than the Southeast was New England. Even here, although the increase was 45 per cent, the total growth of value added was far above the Southeast because that section's capital base, and hence its original value added in 1947, was about double ours.

To make matters worse, Georgia has lost industrial plants that could have raised income levels materially. In recent months Georgia lost a \$60-\$70,000,000 oil refinery, a \$40,000,000 titanium processing plant, electronics plants, and other industries of the highest value-added type. There were multiple reasons behind the loss of these plants, but one major factor in location of this kind of industry is higher educational, research, and library facilities. These industries have a high proportion of scientists and highly skilled workers. Their processes are based on high-level science and technology. While the much publicized decline in New England textiles was taking place, an enormous growth in the high value-added electronics industry had been taking place around Boston that has more than offset this decline. A principal reason given for this industrial expansion was the proximity of the educational and research facilities of Harvard and M.I.T. A factor in Lockheed's recent expansion at Marietta, Georgia, was the library and research facilities at Georgia Tech. The Directors of the Midwest Research Institute concluded in their 1956 Annual Report that there is a "straight line relationship between the concentration of research facilities and regional value added by manufacture."

Causes of Economic Growth

To correct this bad situation, we must first look into the underlying causes of economic growth. There have been several theories here. One claims that climate is the main cause. A harsh climate, the argument goes, stimulates initiative. Adversity, it is said, makes survival dependent on hard work, thrift, and ingenuity. Conversely, a warm climate permits laziness and lethargy. As evidence, the proponents of this theory point to the advanced civilizations that have developed in fairly severe climates like England, Northern Europe, Scandinavia, and the Northeastern United States. Contrarily, the Latin American, African, and Southern European areas are given as examples of economic backwardness.

This climate theory is easily refuted. If cold cli-

mates encourage economic growth, how do you account for the Eskimos who are still primitive? Conversely, the only great American Indian cultures were in tropical South and Central America. Civilization itself sprang from the valley of the Tigris and Euphrates Rivers—a climate not unlike Florida—and the first truly great civilizations were in Egypt and Greece.

Today a mild climate is a positive aid to economic development. A growing percentage of people in a high income society like our own can afford vacations, winter homes, and so on. Trends toward longer life and earlier retirement on accumulated savings or pensions encourage rapid growth of a kind of population that consumes heavily. Older people who retire to more comfortable climates often spend not only their incomes but their accumulated savings creating great local prosperity.

Tourism also is a growing business that the South is enjoying largely because of climate. Tourists annually spend over \$300 million in Georgia. In Florida, however, they spend five times this much. Georgia could, and should, bid strongly for a larger share of these "industries without smokestacks."

Another cause of economic growth is claimed to be in natural resources. Some of these resources Georgia has, but many of the more vital ones she lacks. Even though we are without oil, iron, or much rare metals, there is no reason for discouragement in this. Resources are worth only what ingenious people make of them. The world is full of unexploited resources because of lack of understanding of them or the will to make the kind of effort necessary to put them to good use. Africa abounds in every kind of undeveloped natural resource. So did America for the centuries of Indian habitation, during which time great civilizations were flourishing in the "poor" countries of Greece and Italy. Yet the American Indians made no use of the physical resources they had. If natural endowment alone determined economic growth, Europe would have been discovered by Americans instead of vice versa.

On the other hand, countries like England, poor in natural resources, have ruled the world economically from sheer ingenuity, initiative, and intelligence. We in Georgia can make better use of what we have, although our record has been good in this respect.

Much of Georgia was worthless clay until discoveries at Georgia Tech paved the way for a profitable pottery industry to be based on kaolin. There is bauxite aplenty in Georgia, suitable for a high value-added aluminum industry as soon as new knowledge can lower the electrical cost of extracting it.

Other factors leading to economic growth are knowledge, labor, skills, and capital. All of these

tend to flow fairly freely or else are available already in Georgia. The main element needed seems to be the ability and willingness within ourselves to do what is necessary to achieve what we want.

Effects of Industrialization

The benefits of industrialization are well-known already. The United States Chamber of Commerce has estimated that every 100 new industrial jobs leads to a population growth of 296 persons, 112 new households, 51 more school children, 107 more automobiles, employment of 174 more workers, an increase of \$360,000 in annual retail sales, and an increase of \$590,000 in annual personal income.

These are mostly benefits much to be desired, although some of them will require a high level of long range, intelligent planning. For instance, the new school children cannot build their own schools, nor will new cars come equipped with built-in parking space.

A Program for the Future

The greatest need in Georgia today is for intelligent industrial and governmental leadership. We have not done badly in this respect, but much more remains to be done. We must develop innovators and risk-takers from among our own people. For example, we go to great pains to lure northern industry to Georgia, yet the savings of Georgians are in large part invested in these very same northern corporations that we are hoping will reinvest these savings in Georgia. Will we go as far toward encouraging and helping local industry as we go to secure northern capital? Most of the younger Southerners who are ambitious and energetic take their educations at our expense and then move elsewhere to take advantage of better opportunities. Do we not have the same opportunities here if we would but recognize them? Why do we always seem to look to the North for management talent, for economic advice, for capital, for people to fill every kind of important economic position at a time when the best qualified Southerners are moving out of the state to take advantage of these same opportunities elsewhere?

We must also develop leadership from among our own young people. This must come from our educational system. We must recognize the false economy of underpaid teachers and poor schools that leads only to the perpetuation of mediocrity. The most valuable things in the world cannot be seen at all but lie in the realm of ideas. We must, in our schools and colleges, stimulate initiative and the ability to think analytically and creatively. Students must be taught to think independently of specific problems. They must learn to evaluate and use judgment rather than merely accumulate information. It has long been known that nothing can actually be taught. It can only be learned by willing students.

(Continued on page 12)

The Southeastern Corner

by

Warren A. Walker*

THE SAVANNAH TRADE AREA

Cities tend to have life cycles much as human beings have a life cycle of youth (while growth is still taking place), maturity (when maximum prominence is achieved), and old age. Unlike humans, some cities have a second or even a third period of growth followed by a second or even a third period of prominence. Savannah is such a city.

In its early history Savannah was associated with a number of "famous firsts." It was the first European settlement in Georgia, and was Georgia's first capital until the Revolutionary War. Savannah founded the first orphan asylum in the United States (Bethesda Orphans Home in 1740), and was the starting point of the first transatlantic voyage of a steamship—the voyage of the steamship *Savannah* from Savannah to Liverpool, England, in 1819.

During General Sherman's famous (or infamous) "march to the sea" it was always Savannah that was considered the main objective. Atlanta was a Confederate strong point, partially because of its being an important railroad junction, but it was Savannah that was the important supply depot.

Recently the name Savannah has become so much connected with Federal atomic research projects that some of the recent achievements of the city itself have tended to become obscured. The first atomic powered merchant ship to cross the Atlantic will be named the *Savannah*, after the first steamship to cross the Atlantic. The Savannah River project was the first "free world" research center for atomic research with hydrogen. While both Savannah and the research center are located on the Savannah River, the research center is actually near Augusta, Georgia.

Industrial Development

Since World War II at least eleven new industries have been established in Savannah, representing a capital investment in excess of sixty-six million dollars. Expansion of plants already located in the area represents capital expenditures of approximately fifty-seven million dollars.

Industrial giants such as Johns-Manville Corporation have chosen Savannah as the location for their first manufacturing plant in the Southeast. The Johns-Manville asphalt roofing plant and warehouse were completed in 1956 at a cost of some



three million dollars.

Southern Nitrogen Company, which characterizes the expanded use of chemical fertilizers in southern agriculture, completed a fourteen million dollar plant in 1957. The payroll for this plant alone is in excess of a million dollars a year.

American Cyanamid, another of the country's industrial giants, began operations in its new fifteen million dollar plant in 1955. This operation has proved so successful that an expansion that will double the present facilities will be completed in 1958. The payroll of this industrial installation is approximately two and a half million dollars annually.

The Bestwall Gypsum Company has plans for construction of a multimillion dollar gypsum board and plaster plant. It is contemplated that this plant will begin operations in 1959.

The manufacture of paper products is of course one of Savannah's oldest heavy industries, and this fact is well-known. Less well-known perhaps is the extent of the expansion of this kind of enterprise. An outstanding example is the Union Bag-Camp Paper Corporation which has recently announced plans for the addition in Savannah of a seventh paper machine and other plant modifications with a capital expenditure of some \$40,000,000. This is merely another step in an expansion program that has been under way since 1942. The Union Bag-Camp now employs in excess of 5,300 people in Savannah and is the *world's* largest plant which is *fully integrated* for the manufacture of kraft type containers.

Benefits from Improved Port Facilities

Savannah was once one of the most important ports on the eastern seaboard. In fact, it was considered a city of such color and maritime significance that it was frequently mentioned in novels of the latter nineteenth century, such as Stevenson's *Treasure Island*, published in 1883. Sad to relate,

*Mr. Walker is a graduate in Economics from Georgia State College of Business Administration, in Science from the U. S. Merchant Marine Academy, and in Law from Woodrow Wilson College of Law. He has done field and staff work for manufacturers, wholesalers, retailers, banks, and savings and loan associations throughout the Southeast. He is currently a director of the Atlanta Foreign Trade Association.

however, there followed a period of decay and obscurity during which the port facilities fell largely into disuse except for some coastwise trade.

While the port retained its title as a world leader in naval stores, there was very little expansion into other fields. In recent years there has been a decided change for the better due to several factors, one of which was that various forward-looking businessmen saw that one of the keys to the prosperity of the area was the efficient operation of the port facilities. A second factor was the aggressive action taken by the Georgia Ports Authority, and the third was the cooperation of the Corps of Engineers of the United States Army. All of these groups acting in conjunction have brought about a rebirth of the vigor and efficiency once associated with the Port of Savannah.

These activities have brought new industrial operations to the area that would otherwise have gone elsewhere. Among these are the storage and distribution terminal of the American Bitumuls and Asphalt Company, which is a subsidiary of Standard Oil of California. Another is Southeastern Refineries Incorporated, which has taken options on land at the Savannah State Docks to construct an asphalt refinery.

Some of the industrial prosperity that has resulted from such improved port facilities lies below the surface and does not appear from a casual examination. An example of this type of situation was recently brought to the writer's attention on an informal basis, and as a consequence the exact cost figures are not available. This situation involved a company which had been in operation for some time and already had a substantial payroll. Its principal activity was ship repair and foundry operations. In recent years the company has started processing ductile iron, a superior type of material for certain types of gears and valves. One of the components of this new alloy is nickel, which must be imported from Canada. It is understood that only recently have improved transportation facilities placed this particular operation on a profitable basis.

At this writing there are some 315 manufacturing and processing firms located within the metropolitan area of Savannah and quite a considerable number more within the trade area. In addition to varied products specifically listed above, there are also plants for sugar refining, tea packaging, metal fabrication, lumber and wood products, and

truck trailers.

Projects of City and County Government

Like the majority of large cities Savannah had collected its share of areas having substandard housing. A well organized program of urban renewal has now been put into operation with adequate provisions for any necessary relocation of affected families.

Extensive renovations have been made to a number of public buildings, both of the city and county, including the Municipal Auditorium, the Chatham County Court House, and the Thomas Gamble Building which houses a variety of municipal functions.

Charitable Projects. It appears that the city that founded the first orphans home in the United States more than two hundred years ago has not lost its charitable spirit. The United Community Services solicitation raised more than \$803,000 in 1956-1957, and had a much higher goal for the fiscal period 1957-1958. This service provides funds to some 45 participating agencies in the field of health, welfare, recreation, and education.

The Greenbrier Children's Center for Negroes occupies four buildings, constructed at a cost of more than a quarter of a million dollars. It is generally regarded as one of the finest facilities of its kind.

Transportation Facilities. We have already discussed to some extent the industrial advantages of adequate port facilities, but more specifically the Port of Savannah handled 4,644,277 tons of cargo during 1956. Incomplete figures on 1957 indicate that this also was a very good year—at a time when many ports experienced sharp declines. Regular steamship service is now available to the United Kingdom, Europe, South Africa, South America, and the Far East.

Railroad service to Savannah is good, as five different lines serve the city. These lines provide 26 daily trains for freight service from five different terminals. In addition there are 18 daily passenger trains.

A study is now under way by the Metropolitan Planning Commission relating to the construction of a modern "Station Plaza" to provide for the more efficient handling of passengers and mail.

A total of 44 motor carrier lines offer flexible, convenient service. Scheduled, non-scheduled, and contract services are available to almost any point in the country.

[End]

GROWTH COMPARISONS FOR SAVANNAH & CHATHAM COUNTY, GEORGIA

	1950	1951	1952	1953	1954	1955	1956
Population (Savannah)	119,600	122,000	123,800	127,300	129,700	132,100	134,400
Population (Chatham County)	151,500	154,800	156,900	160,000	161,700	166,300	171,600
Automobile Registrations	30,942	33,328	35,681	45,042	51,161	53,271	55,969
Telephones	38,368	39,449	42,967	45,568	49,264	50,362	55,837
Retail Sales (Chatham County)							
(000 omitted)	\$124,527	\$139,440	\$146,857	\$168,652	\$166,022	\$162,507	\$178,611
Vessel Entries (Port of Savannah) —	1,003	936	1,397	1,578	1,456	1,583	1,626

Source: United States Department of Commerce, Savannah Chamber of Commerce.

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INDUSTRIAL DEVELOPMENT

(Continued from page 9)

Effective leadership must also be able and willing to accept the modern world. Change is the order of the day. To resist necessary and reasonable changes is to risk eventual extinction, like the dodo bird that refused to evolve as the world changed around him. Without acceptance of change, we are left with stagecoach attitudes in a jet plane world. The leadership we need must be based on vision to see, the insight to understand, and the courage to act.

It is said that some of the leaders of the French Revolution kept looking back over their shoulders to make sure the mob was still behind them and had not turned off into a side street. These were not really leaders but just followers who happened to be out front. The real leadership was somewhere in the group behind. We do not want this. We do not want people in positions of leadership who represent only the lowest common denominator of all of the different interest groups they represent.

This does not mean that we should follow anyone who calls himself a leader or that we should accept change for its own sake. Before we accept change there must be reasons and sound logic. Time is our scarcest resource, yet there is something more important than the speed with which we make or accept changes. This is having a sense of direction.

Finally, let us remember that industrial development has created problems as well as solved them. The economic, social, and political problems raised by our metamorphosis from an agricultural to an industrial economy are difficult and complex. We are part of these problems ourselves. If they are to be solved we must search our own souls for the answers. The future will certainly bring a more advanced science and technology leading to greater urbanization and concentration of people and industry. This will present a whole cafeteria of problems concerning how to live in peace with our neighbors.

There is a new world to build — a world whose entire way of thinking must change to meet these great challenges, yet a world whose old moral values must abide if we are to make a *life* for ourselves and our children as well as just a living. We must prepare now to meet this challenge of the future.

[End]

PROFILE OF ATLANTA SALES EXECUTIVE

(Continued from page 4)

TABLE 13

TYPES OF BUSINESSES OF ATLANTA SALES EXECUTIVES

Type of Business	Per Cent of Executives
Consumer	27.0
Business Services	21.0
Industrial	16.5
Distributor	11.0
Wholesaling	10.0
Retailing	9.0
Advertising	4.5
Consultant	1.0

are employed by national business firms, only 7 per cent are with local companies, and approximately 40 per cent are with either regional or sectional organizations.

SUMMARY OF THE ATLANTA PROFILE

The profile of the Atlanta sales executive is very similar to that of the Detroit sales manager. The following is a summary of the portrait of an Atlanta sales executive:

The average Atlanta sales executive club member is 43 years old. His annual income is over \$20,050. He lives in a home that costs approximately \$33,250, and he is married and has a son and/or daughter. He owns two automobiles and two television sets.

His title is usually district, division, general, or sales manager; and his first job, which he secured over 20 years ago, was in selling. He has been an executive for more than 12 years.

He has well-defined ideas on college courses that students who are interested in selling should take, and he would like to see his son make a career of selling.

The average Atlanta sales executive club member plans to retire at age 65 and is covered by a company retirement plan as well as by his own financial retirement plan.

In his spare time he can usually be found at his country club, on the lake, or in his garden.

The average executive is a veteran of past wars, voted in the last presidential election, and attends church.

Finally, he takes a very active part in community affairs and professional organizations aside from his work, and he is a college graduate with a degree, probably in Business Administration or Engineering.

[End]